

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE
REPUBLIC OF SERBIA REGARDING CERTAIN
DEBTS OWED TO, GUARANTEED BY, OR INSURED BY THE UNITED
STATES GOVERNMENT AND ITS AGENCIES

Acknowledging that, on October 3, 2002, the Government of the Federal Republic of Yugoslavia (the "FRY") and the Government of the United States of America (the "United States") signed an Agreement Regarding the Consolidation, Reduction and Rescheduling of Certain Debts Owed To, Guaranteed By, or Insured By the United States Government and Its Agencies (the "2002 Agreement"), which Agreement implemented an Agreed Minute of the Paris Club on the Consolidation of the Debt of the Federal Republic of Yugoslavia, signed in Paris on December 28, 2001 (the "Agreed Minute");

Recognizing that, on February 3, 2003, the Parliament of the FRY adopted a new Constitution establishing the State Union of Serbia and Montenegro (the "SAM") as the legal successor to the FRY;

Acknowledging that, on September 15, 2005, the Chairman of the Paris Club advised the Government of the SAM of the decision of the Paris Club to extend the consolidation period under the Agreed Minute;

Recognizing that the Republic of Montenegro declared its independence from the SAM on June 3, 2006 and, on June 5, 2006, the Serbian Parliament acknowledged the independence of the Republic of Montenegro by declaring Serbia as the continuing state of the former SAM;

Acknowledging the joint letter of July 10, 2006 from the Ministers of Finance of the Republic of Montenegro and the Republic of Serbia to the Chairman of the Paris Club, informing him of the July 10, 2006 Agreement between the Republic of Serbia and the Republic of Montenegro on the Regulation of Membership in International Financial Organizations and the Distribution of Financial Assets and Liabilities (the "2006 Distribution Agreement");

And recognizing that the Republic of Serbia desires to maintain sound and stable financial relations with the United States and considers that accepting an

appropriate legal framework for the repayment of certain debts owed to the United States Government and its agencies and confirming its legal obligation to repay those debts will contribute to that end;

The United States of America (the "United States") and the Republic of Serbia ("Serbia") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the terms of this Agreement, the United States and Serbia agree to confirm Serbian liability for certain debts that are owed to, guaranteed or insured by, the United States and its Agencies.
2. With respect to amounts due to the Export-Import Bank of the United States and the U.S. Agency for International Development, these agencies will notify Serbia of the actual amounts payable by Serbia. This Agreement will be further implemented by a separate agreement (the "Implementing Agreement") between the Commodity Credit Corporation of the U.S. Department of Agriculture and Serbia with respect to CCC Agreements.

ARTICLE II

Responsibility for Certain Debts of the State Union of Serbia and Montenegro

Serbia confirms its liability for the following SAM debts:

1. Debts owed or guaranteed by the former SAM, when the final beneficiary of the loan or credit concerned is located in the territory of Serbia ("Allocated Debt");

It is understood that the following debts, when the final beneficiary of the loan or credit concerned is located in the territory of Serbia, are included in this definition of Allocated Debt:

- (a) Debts owed or guaranteed by entities located in the territory of the SAM including entities of the SAM or entities legally authorized to act on the SAM's behalf;
- (b) Debts owed or guaranteed by banks located in the territory of the SAM, where relevant; and
- (c) Debts owed or guaranteed by former socially-owned legal entities located in the territory of the SAM, regardless of their present ownership status.

The debts listed in Annex B are included in Allocated Debt as defined in Paragraph 1(a), (b), and (c) of this Article.

2. In accordance with Article 2 of the 2006 Distribution Agreement, 94.12 percent of debts owed or guaranteed by the SAM and not immediately attributable to any successor state of the SAM ("Non-allocated Debt");

The debts listed in Annex C are included in Non-allocated Debt as defined in Paragraph 2 of this Article.

3. The amounts of capitalized interest arising from Article IV, paragraphs 1 (c), 2(d), and 4(d) of the 2002 Agreement and listed in Annex D of this Agreement.
4. Debts owed or guaranteed by Serbia.

ARTICLE III

Definition

“Agencies” mean the Export-Import Bank of the United States (“Ex-Im”), the U.S. Agency for International Development (“USAID”) and the Commodity Credit Corporation (“CCC”) of the U.S. Department of Agriculture (“USDA”).

ARTICLE IV

Status and Amendment of 2002 Agreement

1. The United States and Serbia agree that the 2002 Agreement, as amended by Article II and Article IV, paragraphs 2 and 3 of this Agreement, remains in force between the United States and Serbia and that the terms of the debt consolidation, reduction, and rescheduling under the 2002 Agreement, as amended by this Agreement, fully apply to Serbia.

2. Article III, paragraphs 9 and 12 of the 2002 Agreement are hereby amended as they apply to Serbia to read as follows:

9. “Interest II” means 100 percent of interest due on outstanding balances of Reduced Principal from March 23, 2002 through December 31, 2005.

12. “Interest III” means 100 percent of interest due on outstanding balances of Reduced ODA Principal from March 23, 2002 through December 31, 2005.

In conformity with Article IV, paragraphs 2(d), 2(e), 4(d) and 4(e) of the 2002 Agreement, as amended by this Agreement, the amounts consolidated and rescheduled with respect to Serbia will be adjusted accordingly. A summary of the amounts included in Interest II and Interest III is provided in Annex D.

3. Annex F, paragraph G (4) and Annex G, paragraph C (3) of the 2002 Agreement are hereby amended as they apply to Serbia by replacing the contact information for the former National Bank of Yugoslavia with the following:

Ministry of Finance – Treasury
7-9, Pop Lukina Street
11000 Belgrade
Republic of Serbia
Phone: + 381 11 3202 477
Telefax: + 381 11 3202 277
E-mail: trezor.dug@trezor.sr.gov.yu

ARTICLE V

General Provisions

1. Serbia represents and warrants that it has taken all action necessary or advisable under its laws and regulations to authorize the execution, delivery and performance of this Agreement and that this Agreement constitutes a valid and binding obligation of Serbia and is enforceable against Serbia in accordance with its terms.
2. The Annexes attached hereto shall constitute an integral part of this Agreement.

ARTICLE VI

Suspension, Amendment or Termination

1. Either party may suspend or terminate this Agreement by giving sixty (60) days written notice to the other party.
2. This Agreement may be amended by mutual written consent of the United States and Serbia.

ARTICLE VII

Entry into Force

This Agreement shall enter into force on the date of written notice from the United States to Serbia that all necessary domestic legal requirements for entry into force of the Agreement have been fulfilled.

Done at Belgrade, Serbia, in duplicate, this 30th day of January, 2009, in the English language.

FOR THE UNITED STATES
OF AMERICA:

FOR THE REPUBLIC OF SERBIA:



Cameron MUNTER
Ambassador of the
United States of America
to the Republic of Serbia



Diana DRAGUTINOVIC
Minister of Finance
of the Republic of Serbia

Annex A

2002 Agreement

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF
AMERICA AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF
YUGOSLAVIA REGARDING THE CONSOLIDATION, REDUCTION AND
RESCHEDULING OF CERTAIN
DEBTS OWED TO, GUARANTEED BY, OR INSURED BY THE UNITED STATES
GOVERNMENT AND ITS AGENCIES

The Government of the United States of America (the "United States") and the Government of the Federal Republic of Yugoslavia ("FRY") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the terms of this Agreement, the United States and the FRY agree to consolidate, reduce and reschedule certain FRY payments arising in connection with debts that are owed to, guaranteed or insured by, the United States and its Agencies.

2. With respect to amounts due to the Export-Import Bank of the United States ("Ex-Im Bank") and the United States Agency for International Development ("USAID"), these agencies will notify the FRY of the amounts consolidated, reduced, and rescheduled hereunder. This Agreement will be further implemented by a separate agreement (the "Implementing Agreement") between the Commodity Credit Corporation (CCC) and the FRY with respect to CCC Agreements.

ARTICLE II

Responsibility for Certain Debts of the Socialist Federal
Republic of Yugoslavia (SFRY)

The FRY confirms its liability for the following former SFRY debts:

- (1) Debts of the former SFRY that are owed or guaranteed by entities located in the territory of the FRY, including entities of the FRY or entities legally authorized to act on the FRY's behalf, and by banks when relevant. Debts owed or guaranteed by former socially-owned legal entities located in the territory of the FRY, regardless of their present ownership status, are included in this definition of allocated debt;
- (2) Debts owed or guaranteed by the former SFRY, when the final beneficiary of the loan or credit concerned is located in the territory of the FRY;
- (3) 36.52 percent of debts owed or guaranteed by the former SFRY and not immediately attributable to any successor state of the SFRY ("Non-allocated debt"); and
- (4) Debts owed or guaranteed by the FRY.

ARTICLE III

Definitions

1. "Contracts" mean debts that are the responsibility of the FRY in accordance with Article II and covered in the following agreements or other financial arrangements:

(a) Commercial credits guaranteed or insured by the United States and its agencies, which had original maturities of more than one year and were extended pursuant to an agreement concluded before December 2, 1982;

(b) Commercial credits guaranteed or insured by the United States and its agencies, which had original maturities of more than one year and were extended pursuant to an agreement concluded between December 2, 1982 and December 20, 2000;

(c) Loans by the United States and its agencies, excluding USAID loans, which had original maturities of more than one year and were extended pursuant to an agreement concluded before December 2, 1982;

(d) Loans by the United States and its agencies, excluding USAID loans, which had original maturities of more than one year and were extended pursuant to an agreement concluded between December 2, 1982 and December 20, 2000;

(e) The bilateral debt rescheduling agreements concluded between the United States and the SFRY on January 16, 1985, February 5, 1986, February 12, 1987 and November 18, 1988, excluding USAID loans, and

(f) USAID loans which have original maturities of more than one year and were extended pursuant to an agreement concluded before December 2, 1982.

A table listing the relevant Contracts to be included under the rescheduling is attached hereto as Annex A.

2. "Agencies" means Ex-Im Bank and USAID.

3. "Consolidated Debt" means 100 percent of the sum of unpaid principal and interest falling due between August 1, 2001 and March 22, 2002, inclusive, under the Contracts specified in

subparagraphs 1(a), 1(b), 1(c), 1(d), 1(e) and 1(f) of this Article.

4. "Consolidated Arrears" means 100 percent of the sum of unpaid principal and interest, including late interest, outstanding as of July 31, 2001, inclusive, under the Contracts specified in subparagraphs 1(a), 1(b), 1(c), 1(d), 1(e) and 1(f) of this Article.

5. "Late Interest" means, with respect to the Consolidated Arrears, interest charges payable on due but unpaid amounts of principal and interest outstanding as of July 31, 2001, inclusive, in accordance with the terms of the relevant contracts, notwithstanding the payment of such principal and interest after the original due dates

6. "Interest I" means 100 percent of the interest accruing from August 1, 2001 to March 22, 2002, inclusive, on Consolidated Arrears and 100 percent of the interest accruing from August 1, 2001 to March 22, 2002 on original maturities of Consolidated Debt

7. "Relevant Principal" means: (i) all Non-ODA amounts of principal and Interest I outstanding as of March 22, 2002 under the Contracts specified in subparagraphs 1(a), 1(b), 1(c), 1(d) and 1(e) of this Article as a result of the deferral and consolidation treatment provided for in Article IV, subparagraph 1(a), and (ii) 100 percent of the amounts of principal and interest due after March 22, 2002 on all credits, loans or consolidation agreements under the Contracts specified in subparagraphs 1(a), 1(b), 1(c), 1(d) and 1(e) of this Article and not treated under Article IV, subparagraph 1(a) of this Agreement.

8. "Reduced Principal" means 49 percent of the amount of Relevant Principal remaining as a result of the cancellation effective on March 22, 2002 pursuant to Article IV, paragraph 2 of this Agreement.

9. "Interest II" means 100 percent of interest due from March 23, 2002 to March 22, 2005 inclusive, on the outstanding balances of Reduced Principal.

10. "Reduced Principal II" means 69.39% of the Reduced Principal remaining as a result of the cancellation effective on March 23, 2005 pursuant to Article IV, paragraph (3) of this Agreement.

11. "Relevant ODA Principal" means: (i) all ODA amounts of principal and Interest I outstanding as of March 22, 2002 as specified in Contract specified in subparagraph (1)(f) of this Article as a result of the deferral and consolidation treatment provided for in Article IV, subparagraph 1(a), and (ii) 100 percent of the amounts of principal and interest due after March 22, 2002 on all credits, loans or consolidation agreements in the Contracts as specified in subparagraph (1)(f) of this Article and not treated under Article IV, paragraph 1(a) of this Agreement.

12. "Interest III" means 100 percent of interest due from March 23, 2002 to March 22, 2005 inclusive, on the outstanding amounts of Relevant ODA Principal.

13. "Additional Interest" means interest accruing at the rates set forth in this Agreement or the Implementing Agreement on due but unpaid installments of Consolidated Debt, Consolidated Arrears, Late Interest, Interest I, Reduced Principal, Interest II, Reduced Principal II and Interest III beginning on the respective due dates for such installments as established by this Agreement, and continuing to accrue until such amounts are repaid in full.

ARTICLE IV

Terms and Conditions of Payment

1. The FRY agrees to repay the Consolidated Debt and Consolidated Arrears in United States dollars as follows:

(a) The Consolidated Debt and Consolidated Arrears shall be deferred and repaid in fourteen (14) equal consecutive semi-annual installments. The first payment will be made on September 22, 2004 and the final payment will be made on March 22, 2011.

(b) The rate of interest on Consolidated Debt and Consolidated Arrears shall be the following for the United States and its Agencies:

(i) For Ex-Im Bank, the rate of interest shall be fixed at approximately 6.125 percent as of August 2002, determined by Ex-Im Bank to be one-half of one percent (1/2 of 1%) over the interest rate applicable to a 22 year U.S. Treasury note that is in effect on the date of the entry into force of this Agreement.

(ii) For USDA CCC Agreements, the rate of interest shall be based on the U.S. Treasury average market yields rate in effect on the date of signature of this Agreement for a 22 year loan maturity plus one-half of one percent (1/2 of 1%) (i.e., approximately 6.125 percent as of August 2002, but subject to change).

(iii) For USAID Direct Loans, the rate of interest shall be 3.00 percent.

(iv) The Interest on Consolidated Debt and Consolidated Arrears shall begin to accrue on March 23, 2002 and shall be paid in consecutive semi-annual installments on September 22 and March 22 of each year.

(c) Interest I shall be capitalized as at March 22, 2002 and paid in fourteen (14) equal consecutive semi-annual installments. The first payment will be made on September

22, 2004 and the final payment will be made on March 22, 2011.

(i) The rate of interest on Interest I for the United States and its Agencies will be the same as the interest rates stated in Article IV, subparagraph 1(b).

(ii) The Interest on Interest I shall begin to accrue on March 23, 2002 and shall be paid in consecutive semi-annual installments on September 22 and March 22 of each year.

A table summarizing the amount of Consolidated Debt, Consolidated Arrears, Late Interest and Interest I owed to the United States and its Agencies is attached hereto as Annex B1, B2, B3 and B4 respectively.

2. Subject to the terms of Article V, paragraph 2, fifty-one percent of the Relevant Principal shall be cancelled effective March 22, 2002. The remaining amount is the Reduced Principal.

(a) The Reduced Principal shall be paid as follows in thirty-two (32) consecutive semi-annual installments payable on September 22 and March 22 each year, commencing on September 22, 2008:

0.91% on September 22, 2008;	0.97% on March 22, 2009;
1.04% on September 22, 2009;	1.11% on March 22, 2010;
1.19% on September 22, 2010;	1.27% on March 22, 2011;
1.36% on September 22, 2011;	1.46% on March 22, 2012;
1.56% on September 22, 2012;	1.67% on March 22, 2013;
1.78% on September 22, 2013;	1.91% on March 22, 2014;
2.04% on September 22, 2014;	2.19% on March 22, 2015;
2.34% on September 22, 2015;	2.50% on March 22, 2016;
2.68% on September 22, 2016;	2.87% on March 22, 2017;
3.07% on September 22, 2017;	3.28% on March 22, 2018;
3.51% on September 22, 2018;	3.76% on March 22, 2019;
4.02% on September 22, 2019;	4.30% on March 22, 2020;
4.60% on September 22, 2020;	4.92% on March 22, 2021;
5.27% on September 22, 2021;	5.64% on March 22, 2022;
6.03% on September 22, 2022;	6.45% on March 22, 2023;
6.91% on September 22, 2023;	7.39% on March 22, 2024.

(b) The rate of interest on the Reduced Principal for the United States and its Agencies shall be as listed in subparagraphs 1(b)(i) and 1(b)(ii) of this Article.

(c) The Interest on Reduced Principal shall begin to accrue on March 23, 2002 and be paid on March 22 and September 22 of each year. The first payment will be made on September 22, 2002. Additional interest will be charged on these amounts.

(d) Sixty (60) percent of Interest II shall be capitalized on their due dates and repaid in fourteen (14) equal consecutive semi-annual installments on September 22 and March 22 of each year, with the first payment to be made on September 22, 2007 and the final payment to be made on March 22, 2014. Interest shall begin accruing the date after each capitalization.

(i) The rate of interest on sixty (60) percent of Interest II for the United States and its Agencies shall be as listed in subparagraphs 1(b)(i) and 1(b)(ii) of this Article.

(ii) The Interest on the 60 % of Interest II shall be paid in consecutive semi-annual installments on September 22 and March 22 of each year, commencing on March 22, 2003. Additional Interest will be charged on these amounts.

(e) Forty (40) percent of Interest II shall be paid in consecutive semi-annual installments as specified in subparagraph 2(c). The first payment will be made on September 22, 2002. Additional Interest will be charged on these amounts.

A table summarizing the amount of Relevant Principal, Reduced Principal and Interest II owed to the United States and its Agencies is attached hereto as Annex C1, C2 and C3 respectively.

3. Subject to the terms of Article V, paragraph 3, the amount equal to 30.61 percent of the Reduced Principal as of March 23, 2005 shall be cancelled, excluding amounts due in subparagraphs 2(d) and 2(e) of this Article. The remaining amounts, Reduced Principal II, will be paid on due dates specified in Article IV subparagraphs 2(a), 2(b), and 2(c) of this Agreement.

A table summarizing the amount of Relevant Principal II owed to the United States is attached hereto as Annex D.

4. Subject to the terms of Article V, paragraph 2, the amount equal to 100 percent of the Relevant ODA Principal is rescheduled. The FRY agrees to repay the Relevant ODA Principal and Interest III in United States dollars in accordance with the following terms and conditions:

(a) The Relevant ODA Principal shall be repaid in forty-six (46) consecutive semi-annual installments payable on March 22 and September 22 of each year, commencing on September 22, 2018 as follows:

0.50% on September 22, 2018;	0.53% on March 22, 2019;
0.55% on September 22, 2019;	0.59% on March 22, 2020;
0.62% on September 22, 2020;	0.65% on March 22, 2021;
0.69% on September 22, 2021;	0.73% on March 22, 2022;
0.77% on September 22, 2022;	0.81% on March 22, 2023;
0.86% on September 22, 2023;	0.91% on March 22, 2024;
0.96% on September 22, 2024;	1.01% on March 22, 2025;
1.07% on September 22, 2025;	1.13% on March 22, 2026;
1.19% on September 22, 2026;	1.26% on March 22, 2027;
1.33% on September 22, 2027;	1.40% on March 22, 2028;
1.48% on September 22, 2028;	1.56% on March 22, 2029;
1.65% on September 22, 2029;	1.74% on March 22, 2030;
1.84% on September 22, 2030;	1.94% on March 22, 2031;
2.05% on September 22, 2031;	2.17% on March 22, 2032;
2.29% on September 22, 2032;	2.41% on March 22, 2033;
2.55% on September 22, 2033;	2.69% on March 22, 2034;
2.84% on September 22, 2034;	3.00% on March 22, 2035;
3.17% on September 22, 2035;	3.35% on March 22, 2036;
3.54% on September 22, 2036;	3.73% on March 22, 2037;
3.94% on September 22, 2037;	4.16% on March 22, 2038;
4.40% on September 22, 2038;	4.64% on March 22, 2039;
4.90% on September 22, 2039;	5.18% on March 22, 2040;
5.47% on September 22, 2040;	5.75% on March 22, 2041;

(b) The rate of interest on Relevant ODA Principal shall be as set forth in subparagraph 1(b)(iii) of this Article.

(c) The Interest on Relevant ODA Principal shall be paid in consecutive semi-annual installments on March 22 and September 22 of each year, commencing September 22, 2002.

(d) Sixty (60) percent of Interest III shall be capitalized on their due dates and repaid in fourteen (14) equal consecutive semi-annual installments. The first payment to be made on September 22, 2007 and the final payment to be made on March 22, 2014. Interest shall begin accruing the date after each capitalization.

(i) The rate of interest on sixty (60) percent of Interest III for the United States and its Agencies shall be as listed in subparagraphs 1(b)(iii) of this Article.

(ii) The Interest on the 60% of Interest III shall be paid in consecutive semi-annual installments on September 22 and March 22 of each year, commencing on March 22, 2003. Additional interest will be charged on these amounts.

(e) Forty (40) percent of Interest III shall be paid when due, as specified in accordance with the schedule in paragraph 4 subparagraph (c) of this Article. Additional interest will be charged on these amounts.

A table summarizing the amount of Relevant ODA Principal and Interest III owed to the United States is attached hereto as Annex E1 and E2.

5. Adjustments to the amounts of Consolidated Debt, Consolidated Arrears, Late Interest, Interest I, Relevant Principal, Reduced Principal, Interest II, Reduced Principal II, Relevant ODA Principal, Interest III, and Additional Interest may be made as necessary and as mutually agreed.

ARTICLE V

General Provisions

1. The FRY agrees to grant the United States and its Agencies treatment on terms no less favorable than that which it has accorded, or may accord, to any other creditor country or its agencies for the consolidation of debts of comparable maturities.
2. Provisions of Article IV, paragraph 2 and Article IV, paragraph 4 of this Agreement shall apply provided that the Executive Board of the International Monetary Fund (IMF) has approved an appropriate successor three-year arrangement with the FRY. The Chairman of the Paris Club will inform the FRY of this provision taking effect.
3. Provisions of Article IV, paragraph 3 of this Agreement shall apply provided that the Executive Board of the IMF has completed the final review of the arrangement mentioned in paragraph 2 above and that the FRY has made satisfactory payments to the Participating Creditor Countries in accordance with the Minute. The Chairman of the Paris Club will inform the FRY of this provision taking effect.
4. The FRY will seek to secure from external creditors, including banks and suppliers, rescheduling or refinancing arrangements on terms comparable to those set forth in the Minute for credits of comparable maturities, while trying to avoid inequity between different categories of creditors.
5. The FRY agrees to pay all Consolidated Debt, Consolidated Arrears, Late Interest, Interest, and Additional Interest, if any, to the United States and its Agencies, in United States dollars, without any deductions for taxes, fees or other public charges or any other costs accruing inside or outside the FRY.
6. Except as they may be modified by this Agreement, all terms of the Contracts remain in full force and effect. Internal debt transfers within the former SFRY do not lead to any debtor or guarantor substitution under the Contracts or this Agreement. The original debtors and guarantors remain responsible according to their original commitments.

7. The FRY represents and warrants that it has taken all action necessary or advisable under its laws and regulations to authorize the execution, delivery and performance of this Agreement and that this Agreement constitutes the valid and binding obligations of the FRY and is enforceable against the FRY in accordance with its terms.

8. With respect to amounts owing to Ex-Im Bank under this Agreement, Ex-Im Bank and the FRY (referred to as the "Government" in Annex F hereto) agree to the additional terms and conditions set forth in Annex F.

9. With respect to amounts owing to USAID under this Agreement, USAID and the FRY (referred to as the "Government" in Annex G hereto) agree to the additional terms and conditions set forth in Annex G.

ARTICLE VI

Suspension, Modification or Termination

1. Either party may suspend or terminate this Agreement by giving sixty (60) days written notice to the other party.
2. This Agreement may be amended or modified by mutual consent of the United States and the FRY.

ARTICLE VII

Entry into Force

This Agreement shall enter into force following signature and receipt by FRY of written notice from the United States that all necessary domestic legal requirements for entry into force of the Agreement have been fulfilled.

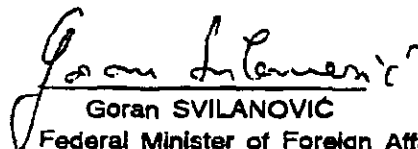
Done Belgrade, FRY in English, this 3rd day of October, 2002.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



William D. MONTGOMERY
Ambassador of the
United States of America
to the Federal Republic
of Yugoslavia

FOR THE GOVERNMENT OF
THE FEDERAL
REPUBLIC OF YUGOSLAVIA



Goran SVILANOVIC
Federal Minister of Foreign Affairs
of the Federal Republic
of Yugoslavia

Annex A
Contracts Subject to Rescheduling

Export-Import Bank

06675	G006946	R080X	I015729
06918	G007409	R080Y	06791
07501	G007436	R097B	
R065B	G007474	R097G	
R065C	G007497	R097H	
R065D	G007499	R097I	
R065G	G010729	R097N	
R065H	G010780	R097O	
R065I	G010782	R097Q	
R065K	G010785	R097X	
R065N	G010786	R097Y	
R065O	G060430	R125B	
R065X	G060835	R125C	
R080B	G061648	R125D	
R080C	G061694	R125G	
R080G	G062505	R125H	
R080H	G062718	R125I	
R080I	G062777	R125K	
R080N	G062927	R125N	
R080O	G094009	R125O	
R080Q	G094010		
R125Q	G007441		
R125X	G006403		
R125Y			
R080R			

Agency for International Development

158-B-007
158-B-010
158-B-015
158-B-019

USDA CCC

GSM 102-67487
GSM 102-69137

Annex B1
Summary of Consolidated Debt
(thousands of US dollars)

USAID	\$212
EX-IM	<u>\$434</u>
Total	\$646

Annex B2
Summary of Consolidated Arrears
(thousands of US dollars)

USAID	\$ 3,939
EX-IM	\$508,106
USDA CCC	<u>\$ 6,678</u>
Total	\$518,723

Annex B3
Summary of Late Interest
(thousands of US dollars)

USAID	\$ 570
EX-IM	\$185,921
USDA CCC	\$ 2,763
Total	\$189,254

Annex B4
Summary of Interest I
(thousands of US dollars)

USAID	\$ 4,742
EX-IM	\$20,366
USDA CCC	<u>\$ 327</u>
Total	\$25,435

Annex C1
Summary of Relevant Principal

EX-IM	\$528,907
USDA CCC	<u>\$ 7,005</u>
Total	\$535,912

Annex C2
Summary of Reduced Principal
(thousands of US dollars)

EX-IM	\$259,164
USDA CCC	<u>\$ 3,432</u>
Total	\$262,596

Annex C3
Summary of Interest II
(thousands of US dollars)

EX-IM	\$48,593
USDA CCC	<u>\$ 657*</u>
Total	\$49,250

Annex D
Summary of Reduced Principal II
(thousands of US dollars)

EX-IM	\$179,834
USDA CCC	<u>\$ 2,382</u>
Total	\$182,216

Annex E1
Summary of Relevant ODA Principal
(thousands of US dollars)

USAID	\$4,152
Total	\$4,152

Annex E2
Summary of Interest III
(thousands of US dollars)

USAID	\$91
Total	\$91

* if bilateral signed in May 2002

ANNEX F
ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO
AMOUNTS OWING TO EX-IM BANK

The Government of the Federal Republic of Yugoslavia, (hereinafter referred to as the "Government"), agrees to the following additional terms and conditions with respect to the amounts owing to Ex-Im Bank, guaranteed by Ex-Im Bank, or insured by Ex-Im Bank, pursuant to the attached Agreement between the United States of America and the Government:

A. Definitions.

1. "Business Day" means any day on which the Federal Reserve Bank of New York is open for business.
2. "Interest Payment Date" means, with respect to Consolidated Debt and Consolidated Arrears, March 22 and September 22, starting September 22, 2002 and, with respect to Reduced Principal, March 22 and September 22, starting September 22, 2002. Provided that in the event any Interest Payment Date is not a Business Day, then the next succeeding Business Day after such date shall be the Interest Payment Date.
3. "Interest Period" for purposes of this agreement means: (a) an initial period as defined in Article III(6) for Consolidated Debt and Consolidated Arrears; Article III(9) for Reduced Principal; and Article III(11) for Consolidated ODA Debt and thereafter, the period beginning on each Interest Payment Date and ending on the day immediately preceding the next succeeding Interest Payment Date.

B. Payments.

1. Funds and Place of Payment. All payments to be made by the Government to Ex-Im Bank under this Agreement shall be made in United States dollars in immediately available and freely transferable funds to the Federal Reserve Bank of New York for credit to Ex-Im Bank's account at the U.S. Treasury Department as identified below or as otherwise directed in writing by the Treasurer-Controller or an Assistant Treasurer-Controller of Ex-Im Bank.

US Treasury Department
021030004
TREAS NYC/CTR/
BNF=/AC-4984 OBI=

EXPORT-IMPORT BANK

DUE [DATE] ON EIB REFUNDING CREDIT NO. R-269 FROM FRY

2. Payment on a Non-Business Day. Whenever any payment falls due on a day which is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest accruing under such extension of time shall be included in the computation of Interest in connection with such payment and shall be excluded from the Interest due, if any, during the next interest period.

3. Application of Payments. All payments made by the Government to Ex-Im Bank under this Agreement shall be applied chronologically (commencing with the oldest) to amounts then due and payable under this Agreement in the following order of priority: (a) to Interest to the extent that any Additional Interest (as hereinafter set forth) due as of the date of payment on such Interest can be satisfied on the amount applied to such Interest, and if applicable, ratably to those installments due on the same date, and (b) to the principal to the extent that any Additional Interest due as of the date of payment on such principal can be satisfied on the amount applied to such principal, and if applicable, ratably to those installments due on the same date.

4. Prepayments. The Government shall have the right to prepay on any Interest Payment Date all or part of the principal then outstanding under this Agreement; provided that the Government shall have paid all amounts due and payable under this Agreement as of the date of such prepayment, together with Interest which has accrued to the date of prepayment on the amount prepaid. Any such prepayment shall be applied by Ex-Im Bank to the outstanding installments of principal in the inverse order of their scheduled maturity, and if applicable, ratable to those installments maturing on the same date.

C. Computation of Interest. Interest shall be computed on the basis of the actual number of days elapsed, using a 365-day year.

D. Additional Interest. If any amount of the principal or Interest owing to Ex-Im Bank under this Agreement is not paid in full on the due dates set forth in this Agreement, the Government shall pay to Ex-Im Bank on demand Additional Interest on the unpaid amount, accruing from the respective due date until paid in full, computed on the same basis as Interest, at the rate stipulated in this Agreement.

E. Representations. The Government represents and warrants that it has taken all actions necessary or advisable under its laws and regulations to authorize the execution, delivery and performance of this Agreement and that this Agreement constitutes the valid and binding obligations of the Government, enforceable against the Government in accordance with its terms and for the performance of which the full faith and credit of the Government is pledged. The Government acknowledges that the activities contemplated by this Agreement are commercial in nature rather than governmental or public and agrees that, to the extent that it has or hereafter may acquire immunity from suit, judgment and/or execution, it will not assert or claim any such right of immunity with respect to any action by Ex-Im Bank to enforce the Government's obligations under this Agreement.

F. Events of Default. In the event that the Government fails to pay when due (a) any amount owing to Ex-Im Bank under this Agreement or (b) any amount owing under any other agreement or instrument in which any indebtedness (whether direct or indirect, contingent or otherwise) of the Government thereunder is owed to, guaranteed or insured, in whole or in part, by Ex-Im Bank, then Ex-Im Bank, by written notice to the Government, may make immediately due and payable the entire principal amount owing to Ex-Im Bank and outstanding under this Agreement, plus accrued Interest and Additional Interest thereon to the date of payment, and all other amounts owing to Ex-Im Bank under this Agreement.

G. Miscellaneous Provisions.

1. Disposition of Indebtedness. Ex-Im Bank may at any time sell, assign, transfer, negotiate, grant participation in, or otherwise dispose of all or any portion of the indebtedness of the Government outstanding and owing to Ex-Im Bank under this Agreement to any party, and any such party shall enjoy all the rights and privileges of Ex-Im Bank under this Agreement. The Government shall, at the request of Ex-Im Bank, execute and deliver to Ex-Im Bank or to such party or parties as Ex-Im Bank may designate any and all further instruments as may be necessary or advisable to give full force and effect to such disposition by Ex-Im Bank.

2. Expenses. The Government shall pay on demand all reasonable costs and expenses incurred by or charged to Ex-Im Bank in connection with or arising out of this Agreement, including without limitation costs and legal fees incurred by or

charged to Ex-Im Bank in connection with the enforcement of this Agreement.

3. Adjustments. On or about 135 days after the execution of this Agreement, Ex-Im Bank shall inform the Government of the actual amounts to be refunded hereunder. The parties hereto agree to make any necessary adjustments to the amounts being refunded.

4. Communications. All communications between the Government and Ex-Im Bank under this Agreement shall be in writing, in the English language (or accompanied by an accurate English translation). All communications to the Government shall be addressed to the National Bank of Yugoslavia at the following address:

National Bank of Yugoslavia
Kralja Petra 12,
11000 Belgrade
The Federal Republic of Yugoslavia

Phone: + 381 11 323 25 90
Telefax: + 381 11 323 85 92
E-mail: int_dept@nbj.sv.gov.yu

All communications to Ex-Im Bank shall be addressed to Ex-Im Bank at the following address:

Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571
Attention: Treasurer-Controller
Telax: 89461 EX-IM BANK WSH
197681 EX-IM UT
Facsimile: (202) 565-3890

5. Governing Law. The Ex-Im Bank portion of this Agreement shall be governed by and construed in accordance with, the laws of the District of Columbia, United States of America.

Annex G
Additional Terms and Conditions with Respect
to Amounts Owning to USAID

A. TERMS AND CONDITIONS OF PAYMENTS

1. Payments. The Government agrees to pay amounts owing to USAID in accordance with the terms and conditions of this Agreement, including this Annex.

2. Funds and Place of Payment. All payments made to USAID by the Government under this Agreement shall be made in United States dollars via electronic funds transfer to the Federal Reserve Bank, 33 Liberty Street, New York, New York 10045. Payment instructions to the Federal Reserve Bank should read:

BNF-/AC-72000001 OBI=(Pay US Dollars
Principal Interest
Loan Number)

3. Application of Payments. To the extent a payment by the Government is insufficient to satisfy the aggregate amount of principal and interest due, such payment shall be applied first to interest then due, with the remainder, if any, applied to the principal amount of the installment.

4. Prepayments. Any prepayments made pursuant to Article IV that may be applied to installments of principal shall be applied in the inverse order of their maturity if the rescheduled amounts relate to direct loans and in chronological order if the rescheduled amounts relate to obligations under the housing guaranty program.

5. Payments due on non-business days. In the event that a payment is due on a day when the Federal Reserve Bank of New York is closed for business, the payment shall be made on the next succeeding business day. This extension of time shall be included in computing the interest on such payment and excluded from the following interest period, if any.

B. INTEREST

1. Computation of Interest. Interest shall be computed on the basis of the outstanding balance of the loan times the interest rate (annual interest) and dividing by the actual number of days elapsed in a 365 day year.

C. GENERAL PROVISIONS

1. Adjustments. Following the execution of this Agreement, USAID shall inform the Government of the actual amounts to be rescheduled hereunder, provide a repayment schedule of those amounts, and notify the Government of the actual applicable interest rate(s). The parties hereto agree to make any necessary adjustments to the amounts being rescheduled under this Agreement and such amounts may be further adjusted, from time to time, as the parties may mutually agree.

2. Future consolidations. If the terms of this Agreement provide for the consolidation period to be extended beyond the initial consolidation period, and provided conditions contained in the Agreement are met, USAID will manage each extended period as a separate loan and identify it with a separate loan number and interest rate. Following notification that the conditions have been met, USAID will inform the Government of the actual amounts to be rescheduled under that consolidation, provide a repayment schedule of those amounts, and notify the Government of the applicable interest rate(s).

3. Communications. All communications between the Government and USAID shall be in writing in the English language (or accompanied by an accurate translation). All communications to the Government shall be addressed to the National Bank of Yugoslavia at the following address:

National Bank of Yugoslavia
Kralja Petra 12,
11000 Belgrade
The Federal Republic of Yugoslavia

Phone: + 381 11 323 25 90
Telefax: + 381 11 323 85 92
E-mail: int_dept@nbj.sv.gov.yu

All communications to USAID shall be addressed as follows:

Chief, Office of Financial Management
Loan Management Division (FM/LM)
USAID
1300 Pennsylvania Avenue, N.W.
Room 2.10.B56
Washington, D.C. 20523

Fax: (202) 216-3541

USAID may change this designated address upon written notice to the Government.

4. Authorized Representatives. The Government shall designate in writing duly authorized representatives permitted to perform any and all actions required under this Agreement and may change its designated representatives by written notice to USAID. USAID may accept the signature of such representatives on any instrument as conclusive evidence that any such action effected by such instrument is authorized by the Government until receipt of written notice of revocation of their authority.

5. a. Event of Default. The failure by the Government to make full payment of any installment when due under this Agreement shall be deemed to be an event of default. Upon the occurrence of an event of default, USAID, at its option, may declare all or any part of unpaid principal and all accrued interest thereon to be due and payable immediately. If the Government pays the defaulted installment, including any Additional Interest which has accrued thereon, within sixty (60) days of the any such declaration, the declaration of an Event of Default will be deemed to have been rescinded.

b. Waivers of Default. No delay in exercising, or omission to exercise, any right accruing to USAID under this Agreement shall be construed as an acquiescence or waiver by USAID of any such right.

6. Notification and Confirmation. USAID will, to the maximum extent practicable, notify the Government of payments due at least fifteen (15) days prior to the due date of each payment. Failure to provide such notice, however, does not excuse failure to make payment when due.

7. Governing Law. The USAID portion of this Agreement will be governed by and construed in accordance with the laws of the District of Columbia, United States of America.



United States Department of State

Washington, D.C. 20520

November 12, 2002

Dear Mr. Ambassador:

I refer you to the Agreement between the Government of the United States of America and the Government of the Federal Republic of Yugoslavia Regarding the Consolidation, Reduction and Rescheduling of Certain Debts Owed to, Guaranteed by, or Insured by the United States Government and its Agencies signed in Belgrade, Federal Republic of Yugoslavia on October 3, 2002.

I am pleased to advise you that all necessary U.S. domestic legal requirements for entry into force of this agreement have been fulfilled. In accordance with the provisions of Article VII, you may consider the agreement as having entered into force as of the date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Paul Reid", with a long horizontal stroke extending to the left.

J. Paul Reid
Director
Office of Monetary Affairs

His Excellency
Ivan Vujacic
Embassy of the Federal Republic of Yugoslavia
Washington, D.C.

Annex B

Contracts Included in Allocated Debt

Export-Import Bank

06791	G060430-012	G094009-01 001	R097H
06918	G060430-013	G094009-01 002	R097N
07501	G060430-014	G094010-01 001	R097O
G006946	G060430-025	I015729	R097X
G007409	G060430-026	R065C	R125C
G007436	G060430-027	R065G	R125G
G007441	G060430-028	R065H	R125H
G007474	G060430-029	R065I	R125I
G007497	G060430-030	R065K	R125K
G007499	G060430-031	R065N	R125N
G010729	G060430-032	R065O	R125O
G010780	G060430-033	R065X	R125X
G010782	G060430-034	R080C	
G010786	G060835	R080G	
G060430-004	G061648	R080H	
G060430-005	G061694	R080I	
G060430-006	G062505	R080N	
G060430-007	G062718	R080O	
G060430-008	G062777	R080R	
G060430-010	G062927	R080X	
G060430-011		R097G	

USDA Commodity Credit Corporation

02YOG

02YOH

Annex B1

Summary of Reduced Principal II as of July 10, 2006
Included in Allocated Debt
(thousands of U.S. dollars)

Ex-Im	\$145,434
<u>USDA</u>	<u>\$2,337</u>
Total	\$147,771

Annex C

Contracts Included in Non-allocated Debt

Export-Import Bank

R065G	R097I
R065D	R125G
R065O	R125D
R080G	R125I
R080I	

U.S. Agency for International Development

169B029R

169B032R

Annex C1

Summary of Reduced Principal II and Relevant ODA Principal as of July 10, 2006
Included in Non-allocated Debt
(thousands of U.S. dollars)

Ex-Im	\$17,410
<u>USAID</u>	<u>\$5,141</u>
Total	\$22,551

Annex D

Summary of Capitalized Amounts of Interest II and Interest III as of July 10, 2006 (thousands of U.S. dollars)

Ex-Im	\$28,594
USAID	\$350
USDA	<u>\$420</u>
Total	\$29,364